

# Calendar No. 931

92<sup>d</sup> CONGRESS }  
2<sup>d</sup> Session }

SENATE

{ REPORT  
No. 92-981

## EQUAL EXPORT OPPORTUNITY ACT AND THE INTERNATIONAL ECONOMIC POLICY ACT OF 1972

JULY 24, 1972.—Ordered to be printed

Mr. SPARKMAN, from the Committee on Foreign Relations,  
submitted the following

### REPORT

[To accompany S. 3726]

The Committee on Foreign Relations, to which was referred the bill (S. 3726) to extend and amend the Export Administration Act of 1969 to afford more equal export opportunity, to establish a Council on International Economic Policy, and for other purposes, having considered the same, reports favorably thereon with amendments and recommends that the bill as amended do pass.

#### MAIN PURPOSES OF THE BILL

In effect, S. 3726 in its two titles incorporates two separate measures. Quoting from the report of the Senate Committee on Banking, Housing and Urban Affairs:

The purpose of title I is to facilitate prompt removal of U.S. unilateral export controls which are not necessary to protect our national security, to insure that the commercial and technical expertise of private industry is utilized as effectively as possible in the administration of export controls, and to extend until June 30, 1974, the President's authority to control exports under the Export Administration Act.

Title II of the bill, as amended by this committee, gives a 1-year statutory basis and authorization of appropriations ("not to exceed \$1,400,000 for fiscal year 1973") for the Council on International Economic Policy (hereinafter referred to as "the Council") established in January of 1971 by the President to advise on and help coordinate international economic policy. It lists the current formal membership of

the Council and gives the President latitude to designate other members as he may desire, also confirming the current situation wherein the President serves as Chairman unless he wishes to name another Council member to serve in his place. It creates the office of Executive Director of the Council to be filled by an assistant to the President, who would have the duty of keeping the appropriate committees of the Congress "fully and currently informed" concerning the Council's activities. In addition, title II requires the President to transmit to the Congress an annual report on international economic policy, to be prepared with the assistance of the Council.

#### BACKGROUND

S. 3726 embodies in title I, as amended by the Banking Committee, the bill S. 1487, representing the administration's request for an extension of the Export Administration Act of 1969 which is due to expire on August 1, 1972. Public hearings were held on S. 1487 on March 13 and 14, 1972, by the Committee on Banking, Housing and Urban Affairs. Also at that time the junior Senator from Tennessee (Mr. Brock) introduced in the Senate S. 3351, as a revision of his earlier bill of last August, to provide a statutory basis and authorization of appropriations for the President's Council on International Economic Policy. Hearings were not conducted on this latter measure. However, during an executive session of the Banking Committee this June, the two bills were joined together to become S. 3726. This measure was reported favorably, with amendments and additional views, by Senator Mondale from the Banking Committee on June 19, 1972. The bill was placed on the consent calendar on that day and was passed on June 21. However, passage was vitiated the following day by unanimous consent to a motion to reconsider the action. On June 23, by unanimous consent, S. 3726 was referred to the Committee on Foreign Relations with instructions to report back within 30 days.

The reason for sequential referral of S. 3726 to the Foreign Relations Committee derived from the fact that the original executive branch request—from the Director of the Office of Management and Budget—for legislation to authorize appropriations for the Council on International Economic Policy, properly was referred to the Committee on Foreign Relations in July of last year. Accordingly, on July 26, 1971, Senator Fulbright (by request) introduced Senate Joint Resolution 141 in compliance with that executive communication. An identical resolution, Senate Joint Resolution 139, was introduced 2 days earlier by Senator Aiken at the request of the administration. These resolutions are currently still pending, and the issue remains within the jurisdiction of this committee.

#### COMMITTEE ACTION

On June 28, Senator Fulbright wrote to the Director of the Office of Management and Budget, since that Office submitted the original request for legislation on the Council. He noted that the committee would hold a hearing on S. 3726 as soon as possible after the Senate reconvened on July 17, and asked the Director to provide a witness

to present the administration's views, especially on title II of the bill. The Senator's letter included the following guidance:

Among the questions on which the witness might be prepared to testify are the following: The issue of whether Senate confirmation of the Executive Director of the Council on International Economic Policy should be required, as argued by the chief sponsor of S. 3726, Senator Mondale; the necessity for including the Senate Committee on Foreign Relations and the House Committee on Foreign Affairs among the recipients of the proposed annual "International Economic Report" under section 207(a); the desirability of adding a new subsection (4) to section 208(a) requiring the Executive Director to keep the relevant congressional committees fully and currently informed about the council's activities.

The Committee on Foreign Relations held a public hearing on July 19 to receive the testimony of Mr. Frank C. Carlucci, Associate Director of the Office of Management and Budget, who presented the administration's views on title II of the bill—opposing any changes whatever in S. 3726 except in one minor instance. Written testimony generally favoring S. 3726 as a whole was received by the committee from representatives of the International Economic Policy Association and the National Association of Secondary Material Industries, Inc. A letter to the chairman, relating solely to title II of the bill, was sent by Senator Sam J. Ervin, Jr., objecting to the administration views presented by Mr. Carlucci and stating the Senator's support for any committee amendments:

"\* \* \* which would explicitly require that the Executive Director [of the Council] be confirmed by the Senate and that Congress be kept fully and currently informed of the activities of the Council \* \* \*."

On July 20, the Foreign Relations Committee considered the bill in executive session. It did not give specific attention to title I of S. 3726, but adopted amendments relating to title II and ordered the bill reported by a voice vote without dissent.

#### COMMITTEE AMENDMENTS

Committee discussion of S. 3726 focused on the issues of Senate confirmation of the Council's Executive Director, the personal availability of that official to the Congress for questioning on a current basis, and the appropriate committees which should have access both to the administration's representative and to the President's annual international economic policy report (required by S. 3726) and such supplementary reports as might be submitted. Senator Case informally proposed two amendments: One called for submission of the annual report to Congress as a whole, rather than to a few committees named in section 207(a); the other required that the Executive Director created by section 208(a) should keep the appropriate committees of Congress fully and currently informed of the Council's activities.

However, during this discussion, Senator Javits submitted as an intended compromise a series of amendments—virtually in the form of an omnibus amendment—which included the proposals of Senator Case. The first committee vote was taken on the question of whether the statutory authorization for the Council's existence should extend for 1 or for 2 fiscal years. Senator Sparkman proposed that title II should remain in effect until June 30, 1974. This amendment to the Javits amendments (confining authorization to fiscal year 1973) was defeated by a vote of 6 to 7: Voting yea were Senators Sparkman, McGee, Aiken, Cooper, Javits, and Scott; voting nay were Senators Mansfield, Church, Symington, Muskie, Case Percy and Fulbright. The committee then voted 13 to 0 to accept the series of amendments proposed by Senator Javits; the Senators not voting were Pell, Spong, and Aiken.

Thereafter, Senator Church submitted an amendment which would make the naming of the Council's Executive Director subject to Senate confirmation. This proposal was defeated by a vote of 5 yeas and 9 nays: Voting in the affirmative were Senators Mansfield, Church, Symington, Muskie, and Fulbright; voting in the negative were Senators Sparkman, McGee, Aiken, Case, Cooper, Javits, Scott, Pearson, and Percy. At least one member voting in the negative noted that he did so because of the nature of the Javits amendments and that he specifically reserved the right to change his position on the Senate floor.

The committee amendments have the following effects on title II of S. 3726. The President's "International Economic Report" required in section 207 would be transmitted "to the Congress" rather than to three specified committees. The Executive Director of the Council would be "an assistant to the President," with the duties of directing the Council staff and "keeping fully and currently informed" the banking committees and the foreign policy committees of the Senate and the House of Representatives, as well as the Joint Economic Committee; other duties listed in section 208(a) are deleted. Since the Executive Director would be an assistant to the President, no other provision for his salary would be required; section 208(e) therefore is deleted. A new section 209 relates to the temporary statutory basis given the Council and states that title II " \* \* \* shall expire on June 30, 1973, unless extended by legislation enacted by the Congress." The former section 209 is renumbered section 210, and is further amended to confine authorization of appropriations ("not to exceed \$1,400,000") to the single fiscal year 1973; reference to fiscal year 1974 accordingly is deleted.

Finally, it should be stressed that a number of members wished the report to make it clear that the Foreign Relations Committee intends to examine the whole subject matter of title II closely during fiscal year 1973. In effect, the executive branch is being given something less than a year of grace in order to enable the committee, and the Congress as a whole, an opportunity to observe the workings of this arrangement. Specifically, the question of Senate confirmation of the Council's Executive Director is open to reconsideration next year, and the committee in the interim intends to have every assurance that the Executive Director will be personally available to the appropriate enumerated committees of the Congress for exchanges of views and information.